

FOREIGN TRADE*

September 2005

This **Foreign Trade Report** is an executive summary of the main foreign trade reforms in Mexico published in the Federal Official Gazette during September 2005, which also contains general foreign trade news that will impact Mexican foreign trade. For further information on the topics addressed in this paper or for any questions arising from it, please write to **Adrián Vázquez Benitez**, adrian@vazqueztercero.com or to **Verónica Vázquez Bravo**, veronica@vazqueztercero.com

1. Extension of term for countervailing duties on bicycles

On September 1, the Ministry of Economy published in the Federal Official Gazette the final Resolution on the subset review of the countervailing duties imposed on the importation of bicycles from the People's Republic of China, thereby concluding the proceedings and ordering the continuation of the countervailing duties at a rate of 144%.

Our firm successfully represented national manufacturers during this investigation.

2. Amendments to tariffs, Sector Promotional Programs and Applicable Rate for 2005

On September 1, the Ministry of Economy published in the Federal Official Gazette the "Decree that provides for the amendment of several tariffs of the TIGIE, of the Decree that establishes several sector promotional programs (PROSEC) and the amendments to the provisions that provide the applicable rate for 2005 of the general importation tax for goods that originate from some countries with whom Mexico has entered into commercial treaties and agreements". This decree was issued with a view to reducing the tariffs on certain input for the bicycle, editorial and textile sectors, so as to provide them with the possibility of reducing costs and maintaining their presence in the national and international markets.

Likewise, the tariff headings applicable to veneer wood are included within the preferential tariffs of PROSEC, so that the manufacturers of furniture are not displaced by the increase in imports of veneer wood. On the other hand, the applicable rate for 2005 of the General Import Tax was updated as regards turbogenerators ignited by gas turbines that originate from the European Union, the States of the European Free Trade Association, El Salvador, Guatemala, Honduras, Nicaragua and Japan.

3. Amendments to NOM-144 SEMARNAT for wood crating

On September 15, SEMARNAT (*Ministry of the Environment and Natural Resources*) published in the Federal Official Gazette the Agreement that amends NOM-144-SEMARNAT-2004, which provides for the internationally acknowledged animal and health measures for wood crating that is used in the international

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trade of goods and merchandise, published on January 18, 2005, so as to amend the transitory article published on that date, and provide for mandatory application by **September 16, 2005** of items 5 (Guidelines for visual inspection of wood crating that is used in the importation of goods and merchandise) and 6.6 (Visual inspection of Brand on the wood crating that is used in the importation of goods and merchandise); on the other hand, it provides that items 5.3 (Action to be taken when crating does not bear the brand) and 6.6.3 (Procedure to be followed after visual inspection of crating) shall enter into force on **February 1, 2006**. This means that crating may be imported even when it does not bear the brand until January 31, 2006, and that the cargo shall not be subject to detention as a consequence thereof. The only exception is when the crating provides evidence of a live plague, in which case the process described in the Standard shall apply.

Please refer to our January Foreign Trade Report for an explanation of the Official Mexican Standard.

4. Preliminary resolution on the Antidumping investigation of Apples from the USA

On September 29, the Ministry of Economy published in the Federal Official Gazette the Preliminary resolution on the antidumping investigation on the importations of table apples of the Red Delicious and its mutations y Golden Delicious varieties from the USA, goods that are comprised in tariff heading 0808.10.01 of the TIGIE. This investigation is a remand as ordered in accordance with the judgment entered on October 28, 2003 by the First Circuit First Appellate Court for Administrative Matters (*Primer Tribunal Colegiado en Materia Administrativa del Primer Circuito*), in file R.A.431/2003-5523, regarding *Amparo* 1183/2002 submitted by Northwest Fruit Exporters. This resolution sought to declare the continuation of the proceedings and impose provisional countervailing duties.

Our firm currently represents several U.S. exporters during these proceedings.

5. Criteria for Prior Permits for the importation of fructose from the USA

On September 30, the Ministry of Economy published in the Federal Official Gazette the Agreement that amends another agreement that establishes the criteria for granting prior permits to the importations of fructose from the USA, and provided that it shall grant such permits up to a global volume of 250,000 metric tons.

6. New Director General of WTO takes possession

On September 1, Mr. Pascal Lamy began his four year term as Director General of the World Trade Organization (WTO), and declared in his statement to the media that as Director General he has no magic recipe. Members are those who have the power to decide, and thus, he will work along with them to face the challenges that arise, he said.

You are reminded that the Ministerial Conference shall take place in Hong Kong, China from December 13 through 18, 2005. ■